



# Appropriations Update

Committee on the Budget • Majority Caucus  
U.S. House of Representatives  
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## APPROPRIATIONS SUBCOMMITTEE ALLOCATIONS

### SUMMARY

The House Committee on Appropriations filed its fiscal year 2005 subcommittee allocations on 15 June 2004 (H.Rept.108-543). These “302(b)” suballocations (named for the section of the Congressional Budget Act that requires their publication) show how the Appropriations Committee would distribute, among its 13 spending bills, the total level of discretionary budget authority [BA] set by the budget resolution.

The conference agreement on the budget resolution for fiscal year 2005 (S.Con.Res. 95) provides \$821.419 billion in discretionary BA. In addition, the Budget Committee Chairman has increased the allocation by \$500 million in

BA to reflect a supplemental increase in BA and outlays for wildland fire suppression provided for in the budget resolution. The supplemental funding is distributed to the Interior and Related Agencies subcommittee, which normally provides appropriations for wildland firefighting.

In general, the proposed 302(b) suballocations are comparable to the President’s request, yet reflect Congressional priorities. For example, the suballocations shift a small portion of the President’s request for defense to homeland security and military construction, and move proposed increases in foreign operations to domestic priorities such as energy and water resources and veterans.

### COMPARISON WITH CURRENT SPENDING

As shown in Table 1 on the next page, the allocation to the Appropriations Committee – as provided by the budget resolution conference agreement – allows total discretionary spending to rise by 4.3 percent above the Congressional Budget Office [CBO] estimate of fiscal year 2004 spending (excluding the Iraq conflict supplemental, Public Law 108-106). Within this framework, however, the budget resolution gives priority to spending increases in defense and homeland security, while restraining the spending growth for other functions of government.

Specifically, the budget resolution calls for the President’s requested levels for military and homeland security spending. Other programs, taken as a group, are to be provided “level funding.” As embraced in the budget resolution, the principle of “level funding” does not suggest that all nondefense, non-homeland-security programs must be held to the same rate of growth. Rather, the concept is applied to these programs *in the aggregate* – assuming that the Appropriations Committee will determine specific programmatic increases or decreases within this framework.

In addition, “level funding” does not necessarily mean that net spending is exactly the same as 2004. In particular, because some receipts from business-type transactions of the government are credited against appropriations, changes in those receipt estimates can cause the estimate of net appropriations to change – even under the level-funding scenario. (For example, in 2004, unusually low interest rates caused large receipts to the Federal Housing Administration [FHA] mortgage insurance programs, which depressed net appropriations in 2004. For 2005, CBO expects that such receipts will decline and net discretionary spending will increase.)

The 302(b) suballocations are consistent with the overall framework of the budget resolution. Defense and homeland security spending are up sharply – 7 percent – above current-year levels, while spending for other functions of government is held to an increase of 1.5 percent. While the budget resolution called for the full amount of the President’s request for military and homeland security spending, the suballocations spread the reduction from the

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request resulting from the level funding assumption proportionally among military and homeland spending and spending for other functions of government.

As shown in Table 2, on page 3, the \$821.919 billion in fiscal year 2005 discretionary spending under the budget resolution is \$33.752 billion more than CBO's fiscal year 2004 estimate of \$788.167 billion. (CBO's estimates do not reflect changes in mandatory programs that are regularly included in appropriations bills.) The vast majority of that increase – \$28.192 billion (84 percent) – has been

distributed by the House Appropriations Committee to the Defense, Homeland Security, and Military Construction subcommittees. Of the remaining \$5.56-billion increase, almost one-third (\$1.823 billion) is distributed to the Foreign Operations subcommittee, with the remaining increase of \$3.737 billion to subcommittees with predominantly domestic spending under their jurisdiction.

Thus, the suballocations come close to the level funding for domestic programs called for in the budget resolution conference agreement, with an annual increase of 1 percent.

**Table 1: Comparison of Growth by Subcommittee**  
(budget authority; millions of dollars)

| Subcommittee                      | 2004<br>Spending<br>(excluding<br>supp.) | FY 2005 House<br>Appropriations<br>302(b)<br>Suballocations | Percentage<br>Change from<br>2004 | FY 2005<br>Administration<br>Request <sup>a</sup> | Percentage<br>Change from<br>2004 |
|-----------------------------------|--|---|-----------------------------------|---|-----------------------------------|
| Defense and Military Construction | 375,933                                  | 400,934   | 6.7                               | 402,139   | 7.0                               |
| Homeland Security                 | <u>28,809</u>                            | <u>32,000</u>   | <u>11.1</u>                       | <u>31,350</u>                                     | <u>8.8</u>                        |
| Subtotal                          | 404,742                                  | 432,934   | 7.0                               | 433,489   | 7.1                               |
| All Other                         | <u>383,425</u>                           | <u>388,985</u>  | <u>1.5</u>                        | <u>389,414</u>                                    | <u>1.6</u>                        |
| Total                             | 788,167                                  | 821,919   | 4.3                               | 822,903   | 4.4                               |

<sup>a</sup> Excludes amendments submitted subsequent to the original request.

## COMPARISON WITH THE ADMINISTRATION REQUEST

The total amount of discretionary appropriations allowed by the budget resolution is \$984 million below the administration's request. (Excluding the budget resolution increase for wildfire suppression formerly funded through emergency appropriations, budget resolution appropriations levels are \$1.484 billion below the request.)

Considering that the budget resolution discretionary total is only 0.1 percent below the administration's request, it is not surprising that the subcommittee levels adopted by the Appropriations Committee are often quite similar to the request. As shown in Table 2, the suballocation is equal to the request for the District of Columbia subcommittee (the smallest appropriations bill), and is only \$223 million (0.2 percent) above the request for the Labor, Health and Human Services, Education and Related Agencies [Labor-HHS] subcommittee (the largest non-military spending bill).

Larger differences appear in the military and homeland security bills (Defense, Military Construction, and Homeland Security) taken individually; nevertheless, as Table 1 shows, these changes net to a reduction in the request of only \$555 million in BA (0.1 percent). Although there are differences between the House and the

administration on the programmatic mix of funding for the priorities in those three bills, the total difference is small, and in line with the budget resolution's reduction from the administration request.

The largest difference between the House Appropriations Committee suballocations and the OMB request appears in the Foreign Operations subcommittee allocation. The 302(b) suballocation provides \$1.933 billion in BA less than the request – although, as noted above, this bill is scheduled for a substantial increase (\$1.823 billion, or 10.4 percent) over the current year. The budgetary resources freed up from this change are used partly to offset increases to bills dealing with domestic priorities, such as Energy and Water Development (up \$953 million from the request), Veterans Affairs and Housing and Urban Development (\$678 million), and Interior (\$339 million).

Increases above the request are also provided to Commerce, Justice, State (\$240 million), and, as mentioned above, Labor-HHS (\$223 million). These increases are more than offset by decreases in the Legislative Branch (\$400 million), Transportation, Treasury (\$274 million), and Agriculture (\$255 million).

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| <b>Table 2: Comparison of FY 2005 Subcommittee Allocations</b><br><b>All Subcommittees</b><br>(budget authority; millions of dollars)   |  |  |   |   |   |
|---|--|--|---|---|---|
| <b>Subcommittee</b>   | <b>2004<br/>Spending<br/>(excluding<br/>supp.)<sup>a,c</sup></b> | <b>FY 2005 CBO<br/>Reestimate of<br/>President's<br/>Request<sup>a,b</sup></b> | <b>FY 2005 House<br/>Appropriations<br/>Subcommittee<br/>302(b) Allocations</b> | <b>Difference<br/>302(b) Less<br/>2004<br/>Spending</b> | <b>Difference 302(b)<br/>less CBO<br/>Reestimate of<br/>the Request</b> |
| Agriculture   | 17,647   | 17,027   | 16,772  | -875  | -255  |
| Commerce, Justice, State  | 38,937   | 39,575   | 39,815  | 878   | 240   |
| Defense   | 366,614  | 392,615  | 390,931   | 24,317  | -1,684  |
| District of Columbia  | 542  | 560  | 560   | 18  | 0   |
| Energy and Water  | 27,255   | 27,035   | 27,988  | 733   | 953   |
| Foreign Operations  | 17,563   | 21,319   | 19,386  | 1,823   | -1,933  |
| Homeland Security   | 28,809   | 31,350   | 32,000  | 3,191   | 650   |
| Interior  | 19,694   | 19,660   | 19,999  | 305   | 339   |
| Labor, HHS, Education   | 139,715  | 142,303  | 142,526   | 2,811   | 223   |
| Legislative Branch  | 3,525  | 3,975  | 3,575   | 50  | -400  |
| Military Construction   | 9,319  | 9,524  | 10,003  | 684   | 479   |
| Transportation, Treasury  | 28,382   | 25,708   | 25,434  | -2,948  | -274  |
| VA, HUD   | 90,165   | 92,252   | 92,930  | 2,765   | 678   |
| <b>Total</b>  | <b>788,167</b>   | <b>822,903</b>   | <b>821,919</b>  | <b>33,752</b>   | <b>-984</b>   |
| <sup>a</sup> Adjusts for jurisdictional changes among House Appropriations Committee subcommittees adopted on 9 June 2004.<br><sup>b</sup> Excludes amendments submitted subsequent to the original request.<br><sup>c</sup> The CBO figures from which this comparison is derived do not include changes in mandatory programs that are regularly included in appropriation bills. These changes – such as the spending limitation in the Crime Victim's Fund, which caps the payout for this mandatory spending program at less than its level of projected spending – generate savings that offset discretionary spending. |  |  |   |   |   |

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